

LNF & IHCIF Calculations Illustration

- FT BERTHOLD in Aberdeen area -

Given Data

- 5,683 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 37% = % Expenditures on purchased services, 63% = % expenditures in-house
- 93.0% = Cost index for purchasing health care in this geographic area
- 110.8% = Size cost index for in-house costs due to small or large size
- 108.7% = Aberdeen area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,038 per person for purchased services = $37\% * 93.0\% * \$2,980$
- \$2,065 per person for in-house services = $63\% * 110.8\% * \$2,980$
- \$3,103 per person total = \$1,038 (purchase) + \$2,065 (in-house)
- **\$3,373 per person total** adjusted for health status = $\$3,103 * 108.7\%$
- **\$2,628 per person net cost** = $\$3,373 - \745 Other resources (M&M&PI)

Existing Expenditures (for 5,683 users excluding wrap-around and collections)

- \$1,047 per person = local IHS allowance (excludes \$ for wrap-around)
- \$202 per person = expenditures elsewhere in Aberdeen area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,303 per person for OU users** = $\$1,047 + \$202 + \$54$

LNF Calculation

- **38.6% Gross LNF** = $\$1,303$ (expenditures) / $\$3,373$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **49.6% Net LNF** = $\$1,303 / \$2,628$ net cost ($\$3,373 - \745 other)

IHCIF Allocation

- \$1,555,660 = \$ to raise LNF% from 49.6% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$54,261 Allocation** = $\$1,555,660$ needed for 60% * 3.488% IHCIF fraction

FT BERTHOLD Unmet Needs

- **\$14,936,317 Net Total Need** = 5,683 users * \$2,628 net cost
- **\$7,530,186 Net Unmet Need** = $(100\% - 49.6\% \text{ LNF}) * 5,683 \text{ users} * \$2,628 \text{ net cost}$